

COMBINED TRANSMITTAL OF APPEAL BRIEF TO THE BOARD OF PATENT  
APPEALS AND INTERFERENCES & PETITION FOR EXTENSION OF TIME  
UNDER 37 C.F.R. 1.136(a) (Small Entity)

Docket No.  
99-006

#27  
4/22/04

In Re Application Of: JAY S. WALKER et al.

Serial No.  
09/274,281

Filing Date  
March 22, 1999

Examiner  
RIMELL, SAMUEL G.

Group Art Unit  
2175

Invention:

METHOD AND APPARATUS FOR PROVIDING CROSS-BENEFITS VIA A CENTRAL AUTHORITY

RECEIVED

APR 14 2004

Technology Center 2100

TO THE COMMISSIONER FOR PATENTS:

This is a combined Transmittal of Appeal Brief to the Board of Patent Appeals and Interferences and petition under the provisions of 37 CFR 1.136(a) to extend the period for filing an Appeal Brief.

Applicant(s) hereby request(s) an extension of time of (check desired time period):

☐ One month ☐ Two months ☐ Three months ☐ Four months

RECEIVED  
2004 APR 13 PM 3:21  
BOARD OF PATENT APPEALS  
AND INTERFERENCES

from: November 12, 2003 until: April 12, 2004  
Date Date

The fee for the Appeal Brief and Extension of Time has been calculated as shown below:

Fee for Appeal Brief: \$165.00

Fee for Extension of Time: \$1,005.00

**TOTAL FEE FOR APPEAL BRIEF AND EXTENSION OF TIME: \$1,170.00**

The fee for the Appeal Brief and extension of time is to be paid as follows:

☐ A check in the amount of \_\_\_\_\_ for the Appeal Brief and extension of time is enclosed.

☒ Please charge Deposit Account No. 50-0271 in the amount of \$1,170.00

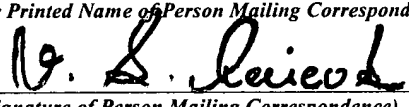
☒ The Director is hereby authorized to charge payment of the following fees associated with this communication or credit any overpayment to Deposit Account No. 50-0271

☒ Any additional filing fees required under 37 C.F.R. 1.16.

☒ Any patent application processing fees under 37 CFR 1.17.

04/22/2004 ☒ If an additional extension of time is required, please consider this a petition therefor and charge any additional fees which may be required to Deposit Account No. 50-0271

01 Ff:2402 165.00 DA  
02 Ff:2255 1170.00 DA

<b>CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10)</b>			Docket No. 99-006
Applicant(s): JAY S. WALKER et al.			
Serial No. 09/274,281	Filing Date March 22, 1999	Examiner RIMELL, SAMUEL G.	Group Art Unit 2175
Invention: <b>METHOD AND APPARATUS FOR PROVIDING CROSS-BENEFITS VIA A CENTRAL AUTHORITY</b>			
<b>RECEIVED</b>			
APR 14 2004			
I hereby certify that the following correspondence:			
Technology Center 2100			
Combined Transmittal of Appeal Brief to the Board of Patent Appeals and Interferences & Petition for Extension of Time, and Appeal Brief			
<i>(Identify type of correspondence)</i>			
is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on			
April 12, 2004 <i>(Date)</i>			
Veronika S. Leliever <i>(Typed or Printed Name of Person Mailing Correspondence)</i>			
 <i>(Signature of Person Mailing Correspondence)</i>			
EV434179247US <i>("Express Mail" Mailing Label Number)</i>			
Note: Each paper must have its own certificate of mailing.			
<b>RECEIVED</b> 2004 APR 13 PM 3:21 BOARD OF PATENT APPEALS AND INTERFERENCES			

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPEAL BRIEF

RECEIVED

APR 14 2004

Customer No. 22927

Technology Center 2100

Appellants: Jay S. Walker, Daniel E. Tedesco, Stephen C. Tulley, John M. Packes,  
Deirdre O'Shea, Keith Bemer, James A. Jorasch, Dean P. Alderucci,  
Magdalena Mik  
Application No.: 09/274,281  
Filed: March 22, 1999  
Title: METHOD AND APPARATUS FOR PROVIDING CROSS-BENEFITS  
VIA A CENTRAL AUTHORITY  
Attorney Docket No.: 99-006

Group Art Unit: 2175  
Examiner: S. Rimell

BOARD OF PATENT APPEALS  
AND INTERFERENCES

Mail Stop: Appeal Brief  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

RECEIVED  
2004 APR 13 PM 3:21  
BOARD OF PATENT APPEALS  
AND INTERFERENCES

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed April 10, 2003 (Paper No. 24), rejecting claims 13 - 30, 38, 41 - 43, 52, 53, 55 and 56.

## TABLE OF CONTENTS

REAL PARTY IN INTEREST .....	4
RELATED APPEALS AND INTERFERENCES .....	4
STATUS OF CLAIMS .....	4
STATUS OF AMENDMENTS .....	4
SUMMARY OF INVENTION.....	5
ISSUES.....	5
GROUPING OF CLAIMS .....	6
ARGUMENT .....	7
Summary of Arguments .....	7
1. Group I.....	8
1.1. Independent Claim 13 .....	8
1.2. The Standard of Definiteness.....	8
1.3. The Standard Used in the Rejection.....	9
2. Group II.....	11
2.1. Dependent Claims 27 - 29.....	11
2.2. Each Claim Specifies a Relationship Between the First Amount and the Second Amount .....	11
3. Group III.....	13
3.1. Independent Claims.....	13
3.2. Advantages of the Claims .....	13
3.3. No Prima Facie Showing of Unpatentability .....	14
3.3.1. No showing that the references disclose or suggest <i>receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor</i> .....	15
3.3.2. No showing that the references disclose or suggest <i>receiving from the customer an acceptance of the offer</i> .....	18
3.3.3. No showing that the references disclose or suggest <i>charging the customer a second price for the at least one item, the second price being less than the total price</i> .....	18
4. Group IV .....	19

4.1. The Claim is not Indefinite .....	19
4.2. No Prima Facie Showing of Obviousness.....	20
4.3. Official Notice was taken of the limitations of the claims.....	20
4.3.1. Substantial Evidence is Required of All Factual Findings .....	20
4.3.2. Absent Substantial Evidence, No Prima Facie Case Exists.....	21
4.3.3. There is no 'Official Notice' doctrine which overrules this need for substantial evidence support of a prima facie case.....	21
4.3.4. 'Official Notice' cannot be the basis for a rejection .....	21

**APPENDIX A: CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL**

**APPENDIX B: INDEPENDENT CLAIMS INVOLVED IN THE APPEAL**

## **REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital, LLC, 1177 High Ridge Road, Stamford, CT 06905.

## **RELATED APPEALS AND INTERFERENCES**

Appellants are not aware of any appeals which might be considered to directly affect, be directly affected by or have a bearing on the Board's decision in the pending appeal.

## **STATUS OF CLAIMS**

Claims 13 - 30, 38, 41 - 43, 52, 53, 55 and 56 are pending in the present application and are being appealed.

Claims **13 - 30 and 38** stand rejected under 35 U.S.C. § 112, paragraph 2 as being indefinite.

Claims **41 - 43, 52, 53, 55 and 56** stand rejected under 35 U.S.C. § 102(e) as being anticipated by Barnett (U.S. Patent No. 6,336,099).

Claim **38** stands rejected under 35 U.S.C. § 103(a) as being obvious in light of Barnett and officially noted subject matter without support in the record.

## **STATUS OF AMENDMENTS**

No amendments were filed subsequent to final rejection.

## SUMMARY OF INVENTION

Generally, according to one aspect of the invention, a controller is in communication with a plurality of vendors that are servicing customers. The controller is also in communication with a plurality of "subsidizing" vendors which are seeking access to those customers. The controller receives, from a first vendor server, an indication of one or more items that a customer is to purchase. In response, the controller transmits, on behalf of a subsidizing vendor, an indication of an offer for a subsidy, such as a reduction in the customer's purchase price. [Present Application, Summary of the Invention, page 4, lines 4 - 10]

If the customer accepts the offer, then the controller provides (directly or indirectly) an amount of funds from the subsidizing vendor to the first vendor. The controller may retain a portion of the amount of funds as payment. [Present Application, Summary of the Invention, page 4, lines 11 - 13]

The controller also facilitates a transaction between the customer and the subsidizing vendor. For example, the customer may be required to sign up for a service (e.g. credit card account service) that is provided by the subsidizing vendor. The controller may facilitate this transaction by providing a form for entry of customer information. [Present Application, Summary of the Invention, page 4, lines 13 - 17]

In general, the presently claimed embodiments permit customers to benefit from the reduced price of his items, vendors to benefit by the increased sales and customer satisfaction, and the subsidizing vendors to benefit by the additional transaction, particularly the acquisition of a new customer in some embodiments.

By having the controller manage such a system by acting between subsidizing vendors and vendors that are servicing customers, a vendor need only communicate with the controller, rather with than a plurality of other vendors. Vendors likewise need only form one relationship with a central authority rather than with a plurality of other vendors. Furthermore, as new subsidizing vendors elect to participate, existing vendors automatically benefit from the new subsidies which may be possible. [Present Application, Summary of the Invention, page 4, lines 18 - 24]

## ISSUES

Whether claims **13 - 30 and 38** are indefinite.

Whether claims **41 - 43, 52, 53, 55 and 56** are unpatentable in light of Barnett.

Whether claim **38** are obvious in light of Barnett and officially noted subject matter without support in the record.

## GROUPING OF CLAIMS

The claims in different groups do not stand and fall together.

Appellants group the pending claims as follows:

Group I - claims **13 - 26 and 30**

Group II - claim **27 - 29**

Group III - claims **41 - 43, 52, 53, 55 and 56**

Group IV - claim **38**

Appellants believe that claims in different groups are separately patentable, as explained below.



## ARGUMENT

### Summary of Argument

First, the rejection of the claims for indefiniteness is flawed because it is clearly not asserted that the meaning of the claims is unclear or ambiguous. Instead, the rejection is merely an assertion that the claims read on more than one embodiment - i.e. the claims are broad.

Second, the rejection of the claims in light of the Barnett patent is flawed because Barnett completely lack any hint of:

*transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price*

OR

*receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor*

The Examiner has relied on a complete misinterpretation of Barnett in asserting that these limitations are disclosed by Barnett.

### Form of this Appeal Brief

In the arguments herein, limitations of the claims are indicated in *italics*, and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

the "Office Action" (Office Action mailed April 10, 2003).

## 1. Group I

Group I includes independent claim 13 and dependent claims 14 – 26 and 30, which depend on claim 13.

The sole basis for rejection of the claims of this Group is that claim 13 is believed to be indefinite.

As discussed below, the rejection of the claims of this Group is flawed because the Examiner has not made a prima facie case of indefiniteness of any claim of this Group.

### 1.1. Independent Claim 13

13. *A method, comprising the steps of:*  
*receiving an indication of at least one item that a customer is to purchase from a first vendor via a web site;*  
*selecting a subsidy from a plurality of subsidies;*  
*transmitting, in response to the received indication of the at least one item, an indication of an offer for the subsidy from a second vendor, the step of transmitting an indication of the offer being performed before the at least one item is purchased;*  
*receiving an indication that the customer accepts the offer;*  
*receiving a first amount of funds from the second vendor;*  
*providing a second amount of funds to the first vendor; and*  
*facilitating a transaction between the customer and the second vendor.*

### 1.2. The Standard of Definiteness

Indefiniteness is a question of law. Personalized Media Communications, LLC v. International Trade Comm'n, 161 F.3d 696, 702, 48 U.S.P.Q.2D 1880, 1886 (Fed. Cir. 1998).

Whether a claim is invalid for indefiniteness requires a determination of whether the claims at issue apprise one of ordinary skill in the art of their scope, or whether the bounds of the claims are so indeterminable as to be indefinite. Orthokinetics, Inc. v. Safety Travel Chairs, Inc., 806 F.2d 1565, 1576, 1 U.S.P.Q.2D 1081, 1088 (Fed. Cir. 1986).

The inquiry under section 112, paragraph 2, focuses on whether the claims, as interpreted in view of the written description, adequately perform their function of notifying the public of the

scope of the patentee's right to exclude. Solomon v. Kimberly-Clark Corp., 216 F.3d 1372, 1379, 55 U.S.P.Q.2D 1279, 1283 (Fed. Cir. 2000).

### 1.3. The Standard Used in the Rejection

The sole basis for rejection of the claims of this Group is that claim 13 is believed to be indefinite. Specifically, the Examiner asserts that:

"[i]t is not clear if a relationship exists or does not exist between the 'first amount of funds' and 'second amount of funds'. This can be clarified by either reciting a relationship between the first amount of funds and the second amount of funds (i.e. 'the second amount of fund [sic] are [sic] derived from the first amount of funds') or by stating where the funds from the second vendor are being directed (i.e. 'receiving funds from the second vendor at the first vendor')."

Office Action, page 2.

In summary, the Examiner believes the claims to be indefinite solely because independent claim 13 leaves unclear the exact technique of how the second amount of funds are calculated. However, this has no bearing on the issue of definiteness. The scope of claim 13 is unambiguous.

The claims do not include any limitations that preclude certain relationships between the first amount and the second amount. Thus the claims cover any such relationship between the two amounts. Whether the claims are broad has no bearing on their definiteness.

The Examiner's rejection is quite similar to the rejection overturned by the Federal Circuit in In re Warmerdam, 33 F.3d 1354 (Fed. Cir. 1994). There, the Board of Patent Appeals and Interferences had rejected claim 5 as indefinite. Claim 5 (reproduced below)

5. A machine having a memory which contains data representing a bubble hierarchy generated by the method of any of Claims 1 through 4.

was believed indefinite because it did not explain "how a memory is made or produced by the steps of generating". *Id.* At 1361.

*Group I*

The Federal Circuit reversed because explanatory detail is not required to make a claim definite.

"The Board's point, that the claim leaves unclear the technique of how the memory is configured with the data, has no bearing on this issue. The claim plainly covers all such techniques. Whether such a programmed machine is new, useful, unobvious, or otherwise patentable is not at issue in this appeal, and we express no opinion thereon. Accordingly, we conclude the Board erred in sustaining the rejection of claim 5 for indefiniteness."

*Id.*

By the same reasoning, pending independent claim 13 is not indefinite merely because it covers many embodiments representing different relationships between the two amounts of funds. The claims plainly cover all such embodiments, and thus are definite.

In conclusion, the Examiner has not set forth a *prima facie* case of indefiniteness of the claims of this Group. Accordingly, for at least those reasons, the claims of this Group have not been shown to be unpatentable.

## SEPARATE ARGUMENT OF PATENTABILITY

### 2. Group II

Group II includes dependent claims 27 - 29, which each depend on independent claim 13 (Group I). Thus, claims 27 - 29 are patentable at least for all of the reasons discussed above with respect to Group I.

The sole basis for rejection of the claims of this Group is that base claim 13 is believed to be indefinite.

In addition, the rejection of claim 27 - 29 fails because the limitations of these claims contradict the Examiner's assertion that the "relationship" between the *first amount* and *second amounts* is "unclear".

#### 2.1. Dependent Claims 27 - 29

Each of the claims of this Group specifies a relationship between the first amount and the second amount.

27. The method of claim 13, further comprising:  
calculating the second amount of funds based on the first amount of funds.
28. The method of claim 13, in which the second amount of funds is based on a predetermined amount less than the first amount of funds.
29. The method of claim 13, in which the second amount of funds is based on a predetermined percentage of the first amount of funds.

#### 2.2. Each Claim Specifies a Relationship Between the First Amount and the Second Amount

The rejection of the claims of this Group is predicated solely on the assertion that, in the base claim (independent claim 13), "[i]t is not clear if a relationship exists or does not exist between the 'first amount of funds' and 'second amount of funds'." Office Action, page 2. There is no assertion that any of the dependent claims (including the claims of this Group) are indefinite for another reason.

*Group II*

However, each claim of this Group clearly recites just such a relationship. Specifically, each claim of this Group clearly recites that the second amount of funds is somehow based on the first amount of funds.

Accordingly, the reasoning of the indefiniteness rejection cannot be applied to the claims of this Group.

Accordingly, for at least those reasons, the claims of Group II have not been shown to be unpatentable in view of the cited references.

## SEPARATE ARGUMENT OF PATENTABILITY

### 3. Group III

Group III includes claims **41 - 43, 52, 53, 55 and 56**. These claims are rejected only under Section 102(e) as anticipate by Barnett.

#### 3.1. Independent Claims

All claims in the Group include the following limitations:

*transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price*

*receiving, in response to the transmitted indication of the at least one item, an indication of an offer (or plurality of offers) for a subsidy from a vendor*

*providing to the customer, in response to the received indication of the offer, the offer (or offers) for the subsidy*

*the step of providing the offer(or offers) being performed before the item is purchased*

#### 3.2. Advantages of the Claims

The claimed embodiments allow a vendor to acquire a customer by essentially "intervening" in a sale between others. Such an intervening can benefit all parties. The customer is benefited by the reduced price of his items, the first vendor is benefited by the increased sales and customer satisfaction that such an arrangement would bring, and the second vendor is benefited by the additional transaction, particularly the acquisition of a new customer in one embodiment.

Further, this offer is presented to the customer at a very specific time, the offer is provided *before the item is purchased* but also after (in response to) there is *an indication of at least one item that a customer is to purchase*. This is a time when customers are very susceptible to offers. The customer is already definitely interested in purchasing the item, but has not yet spent the money to purchase the item. Thus, the customer is about to face the prospect of paying money, and would at that time be more receptive to an offer to reduce (or eliminate) the purchase

*Group III*

price for that item. This is different from, e.g., coupons, which are not provided at this advantageous point in time.

Further, by having the controller manage such a system by acting between subsidizing vendors and vendors that are servicing customers, a vendor need only communicate with the controller, rather than a plurality of other vendors. Vendors likewise need only form one relationship with a central authority rather than with a plurality of other vendors. Furthermore, as new subsidizing vendors elect to participate, existing vendors automatically benefit from the new subsidies which may be possible.

### 3.3. No Prima Facie Showing of Unpatentability

Upon considering the actual teachings of the cited references, it is apparent that the Examiner has not presented a *prima facie* case of obviousness of any claim of the Group.

#### Applicable Law

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under section 103, an examiner must show an un rebutted *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The secondary considerations are also essential components of the obviousness determination. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992).



When a rejection is based on a combination of references, the Examiner can satisfy the prima facie burden only by showing some objective teaching leading to the purported combination of references. *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992). Lacking a motivation to combine references, there is no prima facie case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1358 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. *In re Hyatt*, 211 F.3d 1367 (Fed. Cir. 2000). The "PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant's specification." *In re Morris*, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

**3.3.1. No showing that the references suggest *receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor***

In summary, the Examiner's interpretation of *Barnett* is not made clear in the *Office Action*. The most reasonable interpretation of the rejection is provided below. However, the completely dissimilar system of *Barnett* does not anticipate any pending claims.

On page 3 of the *Office Action*, the Examiner states that:

"Barnet et al. discloses the steps of transmitting an indication of at least one item that a customer intends to purchase, which is the step of transmitting user feedback data from the online service provider (2) or a retailer (10) to a coupon distributor (16).

In response to this transmitted indication, the online service provider (2) receives [an] indication of offers for subsidies, which are packages of coupons sent to the online service provider."

Thus, the most reasonable interpretation is that the Examiner has asserted that *the transmitted indication of the at least one item that a customer is to purchase*

is something (i.e. user feedback data) which the online service provider transmits to a retailer or coupon distributor in *Barnett*. Also, the claimed step of

*receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor*

is performed by the online service provider of Barnett, and *an indication of an offer* is a "package of coupons" of Barnett.

In other words, the online service provider performs the method of the claims. More specifically, the Examiner interprets the online service provider as performing the following step:

*receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer for a subsidy (coupons) from a vendor*

It is unclear exactly what in Barnett corresponds to the claimed *indication of the at least one item that a customer is to purchase*. Although the Examiner asserts that this claim limitation is the "user feedback data" of Barnett, this term appears only once in FIG. 1. its meaning is thus ambiguous.

FIG. 1 of Barnett illustrates the online service provider 2 sending "user/feedback data" to the coupon distributor 16. No other occurrence of the word "feedback" exists in Barnett.

However, Barnett clarifies what the online service provider 2 sends to the coupon distributor 16.

"The coupon distribution center 16 utilizes the user-specific redemption data along with user-specific demographic data supplied by the online service provider 2 in order to compile subsequent coupon data download packages for use by consumers once again."

Col. 7, lines 51 - 55.

From this description, it must be assumed that the Examiner believes that the claim limitation of *transmitting an indication of at least one item that a customer is to purchase* reads on Barnett's "redemption data" and / or "demographic data" sent by the online service provider 2.

Of course, "redemption data" cannot be involved because (i) redemption data indicates what coupons have already been redeemed, not *an item that a customer is to purchase*; and (ii) redemption data is sent from the retail store, not from the online service provider. See, e.g., col. 7, lines 12 - 21.

The remaining data, "demographic data", can contain

"data representative of demographic inquiries presented to a user at the time that the user requests a download of coupon data from the coupon package data file 40, as well as data representative of the users' responses thereto."

Col. 8, lines 34 - 38. "Demographic data " can also contain

"user-specific data, including coupons selected data, coupons deleted data, coupons printed data and user demographics, as will be described below, for subsequent transmission to a coupon distributor 16."

Col. 6, lines 58 - 65.

The online service provider transmits the demographic data to the coupon distributor 16.  
for example:

"The online service provider also stores in a demographic data file 42 user-specific data, including coupons selected data, coupons deleted data, coupons printed data and user demographics, as will be described below, for subsequent transmission to a coupon distributor 16. The coupon distributor 16 will utilize the user-specific data and coupon redemption data in compiling subsequent coupon packages targeted specifically at certain user categories."

Col. 6, lines 58 - 65

and

"The coupon distribution center 16 utilizes the user-specific redemption data along with user-specific demographic data supplied by the online service provider 2 in order to compile subsequent coupon data download packages for use by consumers once again."

Col. 7, lines 51 - 55.

However, the online service provider does not receive anything at all "*in response to the transmitted indication of the at least one item*" (demographic data). More specifically, the *indication of an offer for a subsidy from a vendor* (coupon) is not received *in response to the transmitted indication of the at least one item*.

In fact, Barnett is silent as to when the online service provider receives coupon data. There is no suggestion that the coupon data is received *in response to* anything, much less *in response to the transmitted indication of the at least one item*. Thus, Barnett cannot dynamically react to such indications of items customers are to purchase.

**3.3.2. No showing that the references suggest *receiving from the customer an acceptance of the offer***

In summary, the Examiner's interpretation of Barnett is further strained by the attempt to cover the step of *receiving from the customer an acceptance of the offer*.

The Office Action does not indicate exactly what the *offer* of the claims is under the proposed interpretation of Barnett. However, on page 3 of the Office Action the Examiner indicates that "the customer then accepts the offer by using the coupon in a retail store". Thus, the Examiner apparently proposes that the retailer or coupon distributor 16 somehow *receives from the customer an acceptance of the offer*.

However, the description in Section 3.3.1 above describes how the Examiner's interpretation of Barnett requires the claimed method to be performed by the online service provider of Barnett. In Barnett, the online service provider is not involved in redemption of coupons. Only the retailer partakes in the redemption of the coupons. The coupon distributor 16 also receives coupon redemption data. See, e.g., Col. 6, lines 62 - 65 and Col. 7, lines 51 - 55.

Since the online service provider does not receive any *acceptance* of any *offer*, the Examiner's interpretation of Barnett necessarily changes in midstream in an attempt to cover different steps of the claimed method.

**3.3.3. No showing that the references suggest *charging the customer a second price for the at least one item, the second price being less than the total price***

In a manner similar to that discussed above in Section 3.3.2, the rejection relies on a shifting interpretation of Barnett in order to cover various disparate limitations that are clearly not suggested by Barnett. Specifically, the step of *charging the customer a second price for the at least one item, the second price being less than the total price* is not performed by the retailer, not the online service provider.

As discussed in Section 3.3.1 above, the Examiner's interpretation of Barnett requires the claimed method to be performed by the online service provider of Barnett. Nevertheless, the "*charging the customer*" in Barnett is performed by the retailer, as conceded on page 3 of the Office Action. Accordingly, the claimed method is not anticipated or suggested by Barnett.

Accordingly, for at least those reasons, the claims of this Group have not been shown to be unpatentable in view of the cited references.

## SEPARATE ARGUMENT OF PATENTABILITY

### 4. Group IV

Group IV includes independent claim 38. Claim 38 is rejected as being both indefinite and obvious in light of Barnett.

#### 4.1. The Claim is not Indefinite

The standard of definiteness is provided above in Section 1.2. Claim 38 recites the following limitations:

*charging the customer a second price for the at least one item, the second price being less than the total price;*

*in which the step of charging the customer the second price for the at least one item comprises:*

*charging the second price to an account; and*  
*in which the step of charging comprises:*  
*charging the total price to a credit card account*

The rejection of claim 38 for indefiniteness is not based on even the allegation that the claims are indefinite. Page 2 of the Office Action states:

"the last three steps of claim 38 calls [sic] for the charging of two different prices to a consumer account based upon a single transaction. As understood from the interview of May 7, 2002, this was a scenario where a user is charged the total price and subsequently granted a credit, having the net effect of charging the user a second price lower than the total price. Claim 38 can be clarified by indicating the second price is the result of the user having been granted a credit after being charged the first price."

In summary, the Examiner believes claim 38 to be indefinite solely because independent claim 38 leaves unclear the exact technique of how the second price is calculated. However, this has no bearing on the issue of definiteness. The scope of claim 38 is unambiguous.

As discussed in Section 1.3 above, the claims do not include any limitations that preclude certain sequences of charges. Thus the claims cover any such sequences of charges. Whether the claims are broad and cover several embodiments has no bearing on their definiteness.

*Group IV*

#### **4.2. No Prima Facie Showing of Obviousness**

The Examiner has based the rejections of claim **38** of this Group on an interpretation of Barnett that is unsupported by the record. Claim **38** has the limitations discussed above in Sections 3.1 through 3.3.3. Accordingly, claim **38** is likewise patentable over Barnett for at least the reasons discussed above with respect to Group III.

#### **4.3. Official Notice was taken of the limitations of the claims**

The Examiner also based the rejections of the claims of this Group on "Official Notice". Office Action, pages 4 - 5. No evidence exists for the asserted subject matter, and no evidence exists for why one of ordinary skill in the art at the time of the invention would combine the asserted subject matter with Barnett in the manner proposed. Thus, no substantial evidence exists for either the limitations of claim **38** or a motivation to combine / modify the references of record in the manner proposed.

##### **4.3.1. Substantial Evidence is Required of All Factual Findings**

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

#### **4.3.2. Absent Substantial Evidence, No Prima Facie Case Exists**

To reject claims in an application under section 103, an examiner must show an un rebutted *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a prima facie case of obviousness is upon the examiner. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a prima facie case, the rejection is improper and will be overturned. *In re Rijckaert*, 9 F.3d 1531, 1532 (Fed. Cir. 1993); *Novamedix Distrib. Ltd. v. Dickinson*, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a prima facie case of unpatentability, then **without more** the applicant is entitled to grant of the patent. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (emphasis added).

#### **4.3.3. There is no "Official Notice" doctrine which overrules this need for substantial evidence support of a prima facie case**

The Examiner did not provide any evidence which supports the "official notice". For this reason, those unsupported assertions regarding the scope and content of the prior art clearly lack substantial evidence support. Thus, no prima facie case has ever been made, and without more, Appellants are entitled to a grant of patent.

#### **4.3.4. 'Official Notice' cannot be the basis for a rejection**

Officially-noted subject matter cannot be used as the basis for a rejection under Sections 102 or 103. Official Notice may be used, if at all, only to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

In other words, official notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology

*Group IV*

must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are not amenable to the taking of judicial or administrative notice.") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always construe [the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art.") (emphasis added)

Accordingly, for at least those reasons, the claims of this Group have not been shown to be unpatentable in view of the cited references.

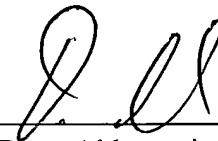


## CONCLUSION

Thus, the Examiner's rejection of the pending claims are is improper at least because all pending claims are definite. In addition, the references, alone or in combination, do not disclose or suggest all the limitations of any claim. In addition, in the obviousness rejections the Examiner has improperly combined the references because there is no adequate reasoning or support in the prior art for making the proposed combination. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Dean Alderucci using the information provided below.

Respectfully submitted,



---

Dean Alderucci  
Attorney for Appellants  
Registration No. 40,484  
Alderucci@WalkerDigital.com  
(203) 461-7337 /voice  
(203) 461-7300 /fax

April 12, 2004  
Date

**APPENDIX A**  
**CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL**

Claims 13 – 30, 38, 41 – 43, 52 – 53 and 55 – 56 are pending.  
Claims 13, 38, 41, 43, 52, 53, 55 and 56 are independent.

13. A method, comprising the steps of:

receiving an indication of at least one item that a customer is to purchase from a first vendor via a web site;

selecting a subsidy from a plurality of subsidies;

transmitting, in response to the received indication of the at least one item, an indication of an offer for the subsidy from a second vendor, the step of transmitting an indication of the offer being performed before the at least one item is purchased;

receiving an indication that that the customer accepts the offer;

receiving a first amount of funds from the second vendor;

providing a second amount of funds to the first vendor; and

facilitating a transaction between the customer and the second vendor.

14. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a vendor from a plurality of vendors; and

selecting a subsidy from the selected vendor.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

15. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a subsidy from a plurality of subsidies based on the at least one item.

16. The method of claim 15, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a subsidy from a plurality of subsidies based on a price of the at least one item.

17. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting at least two subsidies from a plurality of subsidies based on the at least one item.

18. The method of claim 13, in which the step of transmitting an indication of the offer for the subsidy from the second vendor comprises:

transmitting an indication of at least two offers for subsidies from a second vendor.

19. The method of claim 18, further comprising:

receiving from the customer a selection of at least one offer of the at least two offers.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

20. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

charging the first amount to an account corresponding to the second vendor.

21. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

initiating a transfer of funds from an account corresponding to the second vendor.

22. The method of claim 13, in which the step of providing the second amount of funds to the first vendor comprises:

crediting an account corresponding to the first vendor.

23. The method of claim 13, in which the step of providing the second amount of funds to the first vendor comprises:

initiating a transfer of funds to an account corresponding to the first vendor.

24. The method of claim 13, in which the step of transmitting an indication of an offer comprises:

transmitting an indication of an offer for a subsidy from a plurality of vendors;

and in which the step of receiving a first amount of funds from the second vendor comprises:

receiving a portion of the first amount of funds from each of the plurality of vendors;

and in which the step of facilitating a transaction comprises:

facilitating transactions between the customer and the plurality of vendors.

25. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

charging a third amount to a first account corresponding to the second vendor; and

charging a fourth amount to a second account corresponding to a third vendor,

in which the first amount is a sum of the third amount and the fourth amount.

26. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

initiating a transfer of a third amount of funds from a first account corresponding to the second vendor; and

initiating a transfer of a fourth amount of funds from a second account corresponding to a third vendor,

in which the first amount is a sum of the third amount and the fourth amount.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

27. The method of claim 13, further comprising:  
  
calculating the second amount of funds based on the first amount of funds.
28. The method of claim 13, in which the second amount of funds is based on a  
  
predetermined amount less than the first amount of funds.
29. The method of claim 13, in which the second amount of funds is based on a  
  
predetermined percentage of the first amount of funds.
30. The method of claim 13, in which the indication of the offer for the subsidy comprises:  
  
an indication of a subsidy amount, and  
  
an indication of a transaction the customer is required to perform in exchange for  
  
receiving the subsidy amount.

38. A method, comprising the steps of:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price;

in which the step of charging the customer the second price for the at least one item comprises:

charging the second price to an account; and

in which the step of charging comprises:

charging the total price to a credit card account.

41. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from the vendor.

42. The method of claim 41, in which the amount of funds is based on a difference between the second price and the total price.



43. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from a party other than the customer.

52. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies,

the step of sequentially providing the offers being performed before the item is purchased,

the step of sequentially providing the offers including

providing a first offer of the plurality of offers to the customer,

receiving from the customer a rejection of the first offer, and

providing a second offer of the plurality of offers to the customer after receiving the rejection;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

53. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

ascertaining a rank of each offer of the plurality of offers;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies in a sequence defined by the rank of each offer;

the step of sequentially providing the offers being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

55. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidies from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a historical acceptance rate of each offer of the plurality of offers, and

providing to the customer the selected at least one offer;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

56. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidies from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a profit of each offer of the plurality of offers,  
and

providing to the customer the selected at least one offer;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

## APPENDIX B

### INDEPENDENT CLAIMS INVOLVED IN THE APPEAL

Claims 13 – 30, 38, 41 – 43, 52 – 53 and 55 – 56 are pending.  
Claims 13, 38, 41, 43, 52, 53, 55 and 56 are independent.

13. A method, comprising the steps of:

receiving an indication of at least one item that a customer is to purchase from a first vendor via a web site;

selecting a subsidy from a plurality of subsidies;

transmitting, in response to the received indication of the at least one item, an indication of an offer for the subsidy from a second vendor, the step of transmitting an indication of the offer being performed before the at least one item is purchased;

receiving an indication that the customer accepts the offer;

receiving a first amount of funds from the second vendor;

providing a second amount of funds to the first vendor; and

facilitating a transaction between the customer and the second vendor.

38. A method, comprising the steps of:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price;

in which the step of charging the customer the second price for the at least one item comprises:

charging the second price to an account; and

in which the step of charging comprises:

charging the total price to a credit card account.

41. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from the vendor.



43. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from a party other than the customer.

52. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies,

the step of sequentially providing the offers being performed before the item is purchased,

the step of sequentially providing the offers including

providing a first offer of the plurality of offers to the customer,

receiving from the customer a rejection of the first offer, and

providing a second offer of the plurality of offers to the customer after receiving the rejection;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

53. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

ascertaining a rank of each offer of the plurality of offers;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies in a sequence defined by the rank of each offer;

the step of sequentially providing the offers being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

55. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidies from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a historical acceptance rate of each offer of the plurality of offers, and

providing to the customer the selected at least one offer;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

56. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidies from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a profit of each offer of the plurality of offers,  
and

providing to the customer the selected at least one offer;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.